



Fair Political Practices Commission

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NEWS RELEASE

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FPPC, school administrators agree to \$25,000 civil settlement *Failed to file reports disclosing \$430,000 in contributions*

The Fair Political Practices Commission has reached a \$25,000 civil settlement with the Association of California School Administrators (ACSA) Issues Political Action Committee, and its treasurer, Bob Wells, regarding campaign disclosure violations in connection with their successful effort in opposing passage of Proposition 38, the school voucher initiative in the Nov. 7, 2000, statewide general election.

The FPPC alleged in its suit that before the election, the ACSA committee failed to timely file two pre-election campaign reports disclosing \$430,000 in contributions made to the No on Vouchers 2000 committee, a committee primarily formed to oppose Proposition 38. Proposition 38 was an unsuccessful ballot measure that would have authorized annual state payments of \$4,000 per student for private and religious education. The measure was rejected by 70 percent of the voters.

The civil lawsuit was filed by the FPPC in Sacramento County Superior Court on Oct. 5, 2004. The final judgment, based on a stipulation signed by the FPPC and Wells, was approved Oct. 6 by Superior Court Judge Loren McMaster. Copies of the complaint, stipulation and judgment are available on the FPPC Web site at www.fppc.ca.gov.

"This was a significant lapse by the ACSA committee in failing to disclose before the election that it sent \$430,000 to defeat the voucher measure," said Steven Russo, chief of the FPPC's Enforcement Division. "Fortunately, the harm to the voters was mitigated because the No on Vouchers 2000 committee reported that it received the money from ACSA."

According to documents filed in the case, prior to the Nov. 7, 2000, election, the ACSA committee had a duty to file two pre-election campaign statements. The first pre-election statement, covering the reporting period July 1 to Sept. 30, 2000, was due by Oct. 5, 2000. During the first pre-election period, Respondents spent \$380,000. The second pre-election statement, covering the reporting period Oct. 1 to Oct. 21, 2000, was due by Oct. 26, 2000. During the second pre-election period, Respondents spent \$50,000. The ACSA committee did not file the two pre-election campaign statements until three months after the election.

This case was handled as a civil lawsuit, rather than as an administrative action, and the terms of the settlement were brought before the members of the commission for approval during

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an earlier closed-session discussion of pending litigation. Because of the large amount of unreported contributions, particularly in the first pre-election statement, the case was handled as a civil action to allow for the possibility of a higher fine.

An administrative action is the FPPC's more common method of prosecuting enforcement matters. For the 2000 election, the maximum possible administrative penalty was \$2,000 per violation (since raised to \$5,000 with the passage of Proposition 34).

Senior Commission Counsel Julia Bilaver and Investigator II Charlie Bilyeu handled the case for the FPPC.

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